

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)	
)	
The Peoples Gas Light)	
and Coke Company)	Docket No. 10-0565
)	and 10-0566 (cons.)
Petition Pursuant to Rider EEP)	
of Schedule of Rates for Gas)	
Service to Initiate a Proceeding to)	
Determine the Accuracy of the)	
Rider EEP Reconciliation Statement)	

DIRECT TESTIMONY OF
PATRICK E. MICHALKIEWICZ

1 Q. Mr. Michalkiewicz, please state your name and business address.

2 A. My name is Patrick E. Michalkiewicz. My business address is 130 East
3 Randolph Drive, Chicago, Illinois 60601.

4 Q. By whom are you employed?

5 A. I am employed by Integrys Business Support, LLC and am currently working on
6 assignments for Petitioner, North Shore Gas Company ("North Shore") and The
7 Peoples Gas Light and Coke Company ("Peoples Gas").

8 Q. What position do you hold?

9 A. I am the Manager – Energy Efficiency & Major Accounts.

10 Q. What are your responsibilities in that position?

11 A. I am generally responsible for development and implementation of strategies,
12 plans and budgets associated with North Shore's and Peoples Gas' energy
13 efficiency programs and their major accounts.

14 Q. Please summarize your education background and experience.

15 A. I have a Bachelor of Science degree in Mechanical Engineering from the
 16 University of Wisconsin (Madison). I have worked in the electric and gas utility
 17 industry since 1982 in various positions including Customer Relations, Energy
 18 Supply & Control, Planning & Business Development, Electric Generation & Plant
 19 Operations, External Affairs and Engineering.

20 Q. What are your responsibilities specific to North Shore's and Peoples Gas' Rider
 21 EEP, Enhanced Efficiency Program?

22 A. I am the fiscal agent for the program and, in that capacity, I am responsible for
 23 maintaining accurate accounting records, paying invoices approved by the third-
 24 party Contract Administrator and assisting with the preparation of periodic
 25 financial reports.

26 Q. Please explain the formalized governance structure for North Shore's and
 27 Peoples Gas' Rider EEP.

28 A. The structure is a Governance Board, which consists of five voting members.
 29 From inception and during the reconciliation period, members included
 30 representation from:

- 31 • the Environmental Law & Policy Center;
- 32 • the Citizens Utility Board;
- 33 • the City of Chicago;
- 34 • the State Attorney General's Office; and
- 35 • Peoples Gas and North Shore.

36 The Illinois Commerce Commission Staff is a non-voting participant on the
 37 Governance Board.

38 Q. What are the Governance Board's responsibilities?

39 A. The Governance Board is responsible for the following activities:

- 40 • Establishing general program goals and performance criteria;
- 41 • Overseeing the creation and issuance of requests for proposals;
- 42 • Selection of the third-party Contract Administrator (providing technical
- 43 support to the Governance Board);
- 44 • Selection of Program Administrators (responsible for detailed program
- 45 design and implementation as well as associated reports and information);
- 46 • Selection of a Program Evaluator (responsible for periodic audits and
- 47 performance reports to be submitted to the Governance Board);
- 48 • Providing direction to the Fiscal Agent; and
- 49 • Establishing general program goals and performance criteria.

50 Q. Please give a brief description of North Shore's Rider EEP.

51 A. North Shore's and Peoples Gas' Schedule of Rates for Gas Service each
52 includes Rider EEP, Enhanced Efficiency Program. The Commission approved
53 Rider EEP in Docket Nos. 07-0241 and 07-0242 (Cons.). Rider EEP became
54 effective February 14, 2008. Section C of Rider EEP requires North Shore and
55 Peoples Gas to file annually, no later than September 30, an EEP statement of
56 activity, including program descriptions, for the previous program period as well
57 as a report showing the determination of reconciliation adjustments under the
58 rider. North Shore and Peoples Gas witness Edward M. Korenchan is testifying
59 about the reconciliation adjustments.

60 Q. Please describe the previous program period on which you are reporting.

61 A. The “previous program period” in this case is the second program period, which
62 ran from July 1, 2009, through June 30, 2010.

63 Q. Please describe NS-PGL Ex. 2.1 and NS-PGL Ex. 2.2, attached to your
64 testimony.

65 A. NS-PGL Ex. 2.1, which I jointly sponsor with witness Annette Beitel (it is NS-PGL
66 Ex. 3.1 of her testimony), is North Shore’s Rider EEP Statement of Activity for the
67 program period from July 1, 2009, through June 30, 2010. It is broken down into
68 five sections and includes the following information:

- 69 • Descriptions of Programs Implemented;
- 70 • Performance Modeling and Cost Effectiveness Calculator;
- 71 • Contract Administration;
- 72 • Expenses and Measures; and
- 73 • Performance Metrics

74 NS-PGL Ex. 2.2, which I jointly sponsor with witness Annette Beitel (it is NS-PGL
75 Ex. 3.2 of her testimony), is Peoples Gas’ Rider EEP Statement of Activity for the
76 program period from July 1, 2009, through June 30, 2010. It is broken down into
77 five sections and includes the following information:

- 78 • Descriptions of Programs Implemented;
- 79 • Performance Modeling and Cost Effectiveness Calculator;
- 80 • Contract Administration;
- 81 • Expenses and Measures; and
- 82 • Performance Metrics

83 Q. Does this complete your direct testimony?

84 A. Yes.